

Introduced by Senator SimitianFebruary 2, 2011

An act to amend and repeal Sections 18716 and 18744 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SB 164, as introduced, Simitian. Personal income tax: voluntary contributions: State Children's Trust: and Rare and Endangered Species Preservation Program: extension.

The Personal Income Tax Law authorizes individual taxpayers to contribute amounts in excess of their tax liability for the support of specified funds or accounts, including, among others, the State Children's Trust Fund for the Prevention of Child Abuse and the Rare and the Endangered Species Preservation Program. That law repeals these provisions on January 1, 2013, or earlier if specified minimum contributions are not received.

This bill would change the January 1, 2013, repeal dates to January 1, 2018.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 18716 of the Revenue and Taxation Code
2 is amended to read:
3 18716. (a) This article shall remain in effect only until January
4 1, ~~2013~~ 2018, and as of that date is repealed, ~~unless a later enacted~~
5 ~~statute, which is enacted before January 1, 2013, deletes or extends~~
6 ~~that date.~~

(b) (1) By September 1, 2006, and by September 1 of each subsequent calendar year that the State Children's Trust Fund for the Prevention of Child Abuse appears on a tax return, the Franchise Tax Board shall do all of the following:

(A) Determine the minimum contribution amount required to be received during the next calendar year for the fund to appear on the tax return for the taxable year that includes that next calendar year.

(B) Provide written notification to the State Department of Social Services of the amount determined in subparagraph (A).

(C) Determine whether the amount of contributions estimated to be received during the calendar year will equal or exceed the minimum contribution amount determined by the Franchise Tax Board for the calendar year pursuant to subparagraph (A). The Franchise Tax Board shall estimate the amount of contributions to be received by using the actual amounts received and an estimate of the contributions that will be received by the end of that calendar year.

(2) If the Franchise Tax Board determines that the amount of contributions estimated to be received during a calendar year will not at least equal the minimum contribution amount for the calendar year, this article is repealed with respect to taxable years beginning on or after January 1 of that calendar year.

(3) For purposes of this section, the minimum contribution amount for a calendar year means two hundred fifty thousand dollars (\$250,000) for the 2002 calendar year or the minimum contribution amount adjusted pursuant to subdivision (c).

(c) For each calendar year, beginning with calendar year 2003, the Franchise Tax Board shall adjust, on or before September 1 of that calendar year, the minimum contribution amount specified in subdivision (b) as follows:

(1) The minimum contribution amount for the calendar year shall be an amount equal to the product of the minimum contribution amount for the prior calendar year multiplied by the inflation factor adjustment as specified in paragraph (2) of subdivision (h) of Section 17041, rounded off to the nearest dollar.

(2) The inflation factor adjustment used for the calendar year shall be based on the figures for the percentage change in the California Consumer Price Index received on or before August 1

1 of the calendar year pursuant to paragraph (1) of subdivision (h)
2 of Section 17041.

3 (d) Notwithstanding the repeal of this article, any contribution
4 amounts designated pursuant to this article prior to its repeal shall
5 continue to be transferred and disbursed in accordance with this
6 article as in effect immediately prior to that repeal.

7 SEC. 2. Section 18744 of the Revenue and Taxation Code is
8 amended to read:

9 18744. (a) This article shall remain in effect only until January
10 1, 2013 2018, and as of that date is repealed, ~~unless a later enacted~~
11 ~~statute, which is enacted before January 1, 2013, deletes or extends~~
12 ~~that date.~~

13 (b) (1) By September 1, 2006, and by September 1 of each
14 subsequent calendar year that the Rare and Endangered Species
15 Preservation Program appears on a tax return, the Franchise Tax
16 Board shall do all of the following:

17 (A) Determine the minimum contribution amount required to
18 be received during the next calendar year for the fund to appear
19 on the tax return for the taxable year that includes that next calendar
20 year.

21 (B) Provide written notification to the Department of Fish and
22 Game of the amount determined in subparagraph (A).

23 (C) Determine whether the amount of contributions estimated
24 to be received during the calendar year will equal or exceed the
25 minimum contribution amount determined by the Franchise Tax
26 Board for the calendar year pursuant to subparagraph (A). The
27 Franchise Tax Board shall estimate the amount of contributions
28 to be received by using the actual amounts received and an estimate
29 of the contributions that will be received by the end of that calendar
30 year.

31 (2) If the Franchise Tax Board determines that the amount of
32 contributions estimated to be received during a calendar year will
33 not at least equal the minimum contribution amount for the calendar
34 year, this article is repealed with respect to taxable years beginning
35 on or after January 1 of that calendar year.

36 (3) For purposes of this section, the minimum contribution
37 amount for a calendar year means two hundred fifty thousand
38 dollars (\$250,000) for the 2002 calendar year or the minimum
39 contribution amount adjusted pursuant to subdivision (c).

1 (c) For each calendar year, beginning with calendar year 2003,
2 the Franchise Tax Board shall adjust, on or before September 1 of
3 that calendar year, the minimum contribution amount specified in
4 subdivision (b) as follows:

5 (1) The minimum contribution amount for the calendar year
6 shall be an amount equal to the product of the minimum
7 contribution amount for the prior calendar year multiplied by the
8 inflation factor adjustment as specified in paragraph (2) of
9 subdivision (h) of Section 17041, rounded off to the nearest dollar.

10 (2) The inflation factor adjustment used for the calendar year
11 shall be based on the figures for the percentage change in the
12 California Consumer Price Index received on or before August 1
13 of the calendar year pursuant to paragraph (1) of subdivision (h)
14 of Section 17041.

15 (d) Notwithstanding the repeal of this article, any contribution
16 amounts designated pursuant to this article prior to its repeal shall
17 continue to be transferred and disbursed in accordance with this
18 article as in effect immediately prior to that repeal.